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National Citizens League  
for the Promotion...

Organization work in  
Minnesota

Chicago

[1911?]

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# THE NATIONAL CITIZENS' LEAGUE

FOR THE PROMOTION  
OF A SOUND  
BANKING SYSTEM

Organization Work  
in  
Minnesota

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THE NATIONAL CITIZENS' LEAGUE  
225 WEST JACKSON BOULEVARD • CHICAGO

1911

## THE NATIONAL CITIZENS' LEAGUE

FOR THE PROMOTION OF A SOUND BANKING SYSTEM  
223 West Jackson Boulevard CHICAGO, ILLINOIS

### OFFICERS AND DIRECTORS

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Vice-President, JOHN BARTON PAYNE, South Park Commission  
Chairman of Executive Committee, J. LAURENCE LAUGHLIN, The University of Chicago  
Treasurer, A. C. BARTLETT, Hibbard, Spencer, Bartlett & Co.  
Secretary of Organization, M. S. WILDMAN, Northwestern University  
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Missouri, GEORGE A. MAHAN, Mahan, Smith & Mahan, Hannibal  
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North Dakota, L. B. HANNA, Member of Congress at Large, Fargo  
Ohio, JAMES ALBERT GREEN, Matthew Addy & Co., Cincinnati  
Oklahoma, FRED S. GUM, Gum Bros., Oklahoma City  
Oregon, THOMAS B. HONEYMAN, Honeyman Bros., Portland  
Pennsylvania, C. STUART PATTERSON, Western Saving Fund Society, Philadelphia  
Tennessee, WHITEFOORD R. COLE, Napier Iron Works, Nashville  
Texas, IKE T. PRYOR, Evans-Saunders-Buel Co., San Antonio  
Washington, JAMES S. GOLDSMITH, Schwabacher Bros. & Co., Inc., Seattle  
Wisconsin, W. H. HATTON, New London

And others to be named

### ORGANIZATION WORK IN MINNESOTA

Report of President John H. Rich on the successful methods followed to arouse interest and promote popular study of the question of banking reform.

RED WING, MINN., DEC. 7, 1911.

Mr. John V. Farwell,  
President, National Citizens' League.  
Chicago, Ill.

My dear Sir:

I have the honor to submit the following report of the organization of the Citizens' League of Minnesota, to affiliate with the National Citizens' League and to conduct for this state a campaign along lines similar to those followed by the National organization:

On November 16 I appointed Mr. Curtis L. Mosher, Agent, Executive Department, of the Northern Pacific Railway, in St. Paul, as Secretary of the league for Minnesota, and active work began the following day.

The Secretary visited Chicago and consulted with officers of the National organization, following which a conference of representative men was held at the Minneapolis Club in Minneapolis, at which plans were made for the immediate appointment of vice-presidents representing the important districts in this state. A number of names were selected, and the various men chosen were communicated with by telephone, telegraph, and mail, for the purpose of securing their acceptances.

Within less than two weeks the organization of the league was completed and thirty-one vice-presidents had accepted. Of all the men selected to serve, not one refused, and replies were received from all but two, one of whom is still out of the state.

The vice-presidents were selected as being men particularly fitted to exercise an influence with business men in their localities. They were chosen to represent certain geographic districts in the state, rather than arbitrary state divisions, and especial effort was made to

select thoroughly representative men. The list of vice-presidents, as completed today, is as follows:

DR. CYRUS NORTHRUP,

President Emeritus, University of Minnesota, Minneapolis

DR. WILLIAM J. MAYO, Surgeon, Rochester

F. A. PATRICK, President, F. A. Patrick Company, Duluth

C. L. KLUCKHOHN, President, Association of Commerce, St. Paul

H. C. GARVIN, Secretary, Bay State Milling Company, Winona

A. L. WARD, President, Ward Machine Company, Fairmont

GEORGE M. PALMER,

President, Hubbard Flour Milling Company, Mankato

E. W. BACKUS,

President, The Koochiching Company, International Falls

THOMAS J. BURKE, President, Northern Grocery Company, Bemidji

M. M. WILLIAMS, Investments, Little Falls

A. W. KRON, Cashier, First National Bank, Litchfield

G. D. LABAR, President, First National Bank, Brainerd

A. C. TRIBEL, President, Minnesota Mercantile Company, Stillwater

E. J. JONES, President, Jones Lumber Company, Morris

GEORGE A. HORMEL, President, Hormel Packing Company, Austin

S. B. NELSON, General Merchant, Luverne

ELMER ADAMS, Editor, The Journal, Fergus Falls

C. F. MAHNKE, Farm Lands, Moose Lake

G. H. MATTSO, Editor, The Region, Roseau

HON. A. E. RICE, President, Bank of Willmar, Willmar

STEPHEN JEWETT, Insurance and Real Estate, Faribault

WM. M. JAMES, Editor, Telegram, Breckenridge

H. W. STONE, President, Swift County Bank, Benson

W. W. SIVRIGHT, Farm Machinery, Hutchinson

ALVAH EASTMAN, Editor, Journal Press, St. Cloud

JOHN F. HALL, Secretary, Foley Milling & Elevator Company, Foley

HON. A. D. STEPHENS, Farm Loans and Investments, Crookston

NEILL M. WATSON, M. D., Physician, Red Lake Falls

H. L. MELGAARD, President, Farmers & Merchants Bank, Argyle

E. A. NELSON, Editor, The News, Hallock

It was deemed advisable that the press of this state be informed in unmistakable terms of the plans and purposes of the League, and there was prepared and issued to every newspaper in Minnesota a circular addressed, "To the Newspaper Press of Minnesota," copy of which is attached. It is yet too early to tell what the effect of this circular will be, but I have confidence that it will prevent hasty and ill-judged criticism, and that it will serve to avoid a danger that the League has recognized, viz., that, due to lack of information or investigation, the

country press would print charges that the business men of the state were forming an organization in support of the Aldrich bill. As soon as the work of preparing and mailing this circular was completed, a similar circular addressed, "To the Business Men of Minnesota," was prepared, and is now being mailed, under the direction of the Secretary, to every man engaged in business within this state. This circular will go under personal cover to about twenty-five thousand men.

In both cases, the distribution of the circular was made the occasion of soliciting memberships in the League, and the last page of the circular, in each case, bears a subscription form to be filled in and mailed with the remittance, to the Treasurer of the organization in Red Wing. A number of responses have already come in. Arrangements have been made to mail a certificate of membership to each man replying with his dollar.

Negotiations were opened up with the Minnesota Federation of Commercial Clubs, which embraces practically all the active business organizations throughout the state of Minnesota, to the end that the Minnesota organization might coöperate with the Federation in arranging for speaking engagements in the smaller cities and towns of the state. President D. M. Neill, of this organization, has taken a keen interest in the work of the League, and at his direction a bulletin was issued by the Secretary to all of the commercial organizations affiliated with it, transmitting the offer of the League to provide speakers to discuss monetary reform; a copy of this bulletin is attached.

Supplementing the action of the Federation, the League issued its own bulletin explaining its purposes in detail, and copies were mailed to the secretary of every commercial organization in this state. In this bulletin, as will be noted from the copy attached, an offer is made to provide speakers to a number of the local commercial clubs and business bodies. Arrangements have been made, whereby it will be possible to obtain Prof. J. F. Ebersole, of the Department of Economics, of the University of Minnesota, as one of several speakers to carry on this work. Negotiations are in progress through which the League hopes to obtain other experts, and those understanding the work. Preliminary arrangements have been made for business men's mass meetings at Still-

water, Duluth, Brainerd, Bemidji, and other points, and these will be completed upon final decision of Mr. Robt. W. Bonyng, with respect to engaging in a speaking campaign in Minnesota. No attempt has yet been made to arrange for other meetings, because of the uncertainty as to the ability of the League to obtain speakers to appear at points in Minnesota during the present month.

The policy of soliciting the active coöperation of the vice-presidents in their respective districts has been actively followed, and a series of monthly reports has been established to each; the first under date of December 4, attached, is a sample. In these reports the current work of the League is given in detail, and it is believed they will have the effect of stimulating the interest of the vice-presidents, with the result that they will be made more valuable to the organization. In order that the work of the League might be thoroughly understood by newspaper editors before it had progressed far enough to give opportunity for misleading newspaper comment, a personal letter was sent to each of several hundred bank presidents scattered throughout the state, requesting that they get into touch with their local newspapers for the purpose of discussing proposed monetary legislation. It was suggested that the necessity for a reform of the banking system be strongly called to the attention of the editor, and that these bank officers, to whom a letter was sent, use their active, personal efforts to enlist the sympathy and coöperation of the local editors. This letter was mailed recently and it is yet too early to estimate the results therefrom. Copy of letter is attached.

Because of the recognized hostility of some of the rural interests of this state to the larger centers, it was deemed advisable that the headquarters of the League be established outside of St. Paul or Minneapolis, and in view of this conclusion and also for the purpose of convenience, headquarters were secured in the Goodhue County National Bank building in Red Wing, where an office in the bank itself, and two office rooms in the same building are occupied by the Secretary and his staff, consisting of an office assistant and force of nine girl clerks, employed at a rate of one dollar per day, to handle the addressing and mailing of literature, and similar work.

Under the direction of the Secretary an index list system has been established, the most important feature

of which is a card list of twenty-five thousand business men of this state. Other lists include ten thousand representative farmers, state officers, members of the legislature, officers of commercial organizations, bank presidents of the state, etc., comprising all of the names of the men whom it will be desirable to reach during the progress of the campaign. This system of lists was considered the best, in view of the fact that it will be necessary to reach many of these individuals more than once. A preliminary supply of literature from the National organization has been ordered and received, and is being distributed. The coöperation of Mr. Wildman, in providing an ample additional supply, has been requested and his response indicates that it will be forthcoming very shortly. A moderate amount of supplementary literature will be prepared as it is needed by the League in Minnesota.

Plans have been completed to carry on a considerable amount of publicity work with the newspapers of the state, but it has been thought desirable to proceed very quietly with these, in order to avoid criticism that news matter favorable to the Aldrich bill is being forced upon the press. It is believed the steps taken to insure the coöperation of the individual newspapers will prove effective, and that in the long run the coöperation of the individual newspapers will be more thorough than could be obtained by attempting broadcast publicity.

It will be noted that in the selection of vice-presidents six of the leading editors of the state were named. This, it is believed, will further strengthen the League with the press.

The organization of the League is now practically complete, and it is ready to enter upon a very active campaign, both with respect to educational work among the business men of the state and meetings in the various cities and towns. There are substantial indications that we will be able to make as many speaking engagements throughout the state as we can provide speakers for, and that the League will be able to arouse, not only the interest of the leading business men, but the active coöperation of many who are influential, with whom the League so far has only been able to do a moderate amount of preliminary work.

I feel that it is a matter of congratulation that an effective organization has been completed in so short a

time, and that the readiness with which the vice-presidents responded is a very favorable indication. The men actively connected with the League are among the strongest and most influential in the state. This condition would not have resulted except for the very energetic assistance of friends of the movement in St. Paul and Minneapolis, who have responded with the greatest willingness to every call made upon them, and have given me valuable help.

Political conditions in this state are somewhat unsettled at this time, but care has been taken in the preliminary work of the League to avoid the possibility of political complications, or to make appointments which might be interpreted as having political significance. The object has been to create an organization along the broadest and most comprehensive lines, and to make it stand before the people of the state as a purely business organization, having but the one purpose—that of arousing the interest of the men upon the monetary reform question.

In the appointment of vice-presidents, care has been taken to distribute them evenly over the state, in order that all sections may be represented, and in this way, I believe, it will be possible to obtain a maximum amount of effective work from such officers.

Respectfully submitted,

(Signed) JOHN H. RICH,

President.

Form of Notice of Organization Sent to Minnesota Newspapers

*To the Newspaper Press:*

The Citizens' League of Minnesota, affiliated with the National Citizens' League, is an organization of the business men of this state, in support of monetary reform. It has been organized within the past few weeks, and as its list of officers will show, has the strong support of prominent men in different lines of commercial and financial activity.

It advocates the suppression of panics. It stands for bank coöperation in support of the business operations of this country and hopes to see a condition under which disasters to soundly-managed business institutions in times of financial stress will be impossible.

The purpose of the League is to arouse and direct the

interest of the business men of this state in such a manner as to encourage Congress to enact needed legislation, without further delay.

The League has no bill of its own; is not committed to the plan of any interest or individual, nor does it advocate or support any such plan. Its position is clearly stated in the following seven principles, which it hopes to have incorporated into law:

1. *Coöperation, not dominant centralization, of all banks by an evolution out of our clearing-house experience.*

2. *Protection of the credit system of the country from the domination of any group of financial or political interests.*

3. *Independence of the individual banks, national or state, and uniform treatment in discounts and rates to all banks, large or small.*

4. *Provision for making liquid the sound commercial paper of all the banks, either in the form of credits or bank notes redeemable in gold or lawful money.*

5. *Elasticity of currency and credit in times of seasonal demands and stringencies, with full protection against over-expansion.*

6. *Legalization of acceptances of time bills of exchange in order to create a discount market at home and abroad.*

7. *The organization of better banking facilities with other countries, to aid in the extension of our foreign trade.*

These objects should be carried out through some national coöperative agency, under strict government supervision, which would so dispose of cash reserves as to make them available when needed at the danger points, thus strengthening our banking stability and creating confidence at home and abroad. When business men know that their banks will support them to the extent of their credit, irrespective of stress or business conditions, panics and their resulting disasters will be impossible.

The League believes that the great public service embodied in such a plan, *should be rendered at cost*, and should not be made a source of profit to banks.

It is apparent that every man who engages in the financial operations incident to the conduct of any business, is interested in such a plan and such a purpose. The passage of legislation incorporating the principles for which the League stands, and attaining its objects, will directly affect and materially enhance the prosperity of all sections, and of all classes of people. Those engaged in commercial pursuits are not alone interested; the question should be of equal interest to the farmer, to the salary- or wage-earner, to the laborer and to every citizen.

Since the panic of 1907, there has been a strong sentiment among business men in favor of some kind of joint action that would result in establishing a more perfect banking system in this country. Out of this sentiment has grown the National Citizens' League and the Citizens' League of Minnesota, affiliated with it.

There are two fundamental necessities in the creation of an efficient banking system, as seen from the viewpoint of the business man. One is that banks should always be ready and able to meet their cash obligations on demand. The other is that they should always be able to loan to their customers to the extent of the proper and legitimate credit of the latter.

Our past experience of these two conditions gives no reason to believe that the present banking system complies with these two vastly important requirements.

There will be an end to bank "runs" and to panics, whenever it is generally known among business men and depositors that the individual banks will be adequately supported, and that the amount of credit necessary to handle the current exchanges will always be supplied.

It is for a system embodying these principles that the Citizens' League of Minnesota stands. It will demand that whatever legislation is proposed in Congress embody these principles, together with the other objects stated on the first page of this circular. Our banking system lacks unity, cohesion and reserve powers. It is a good system for prosperous and peaceful times, but breaks down in times of stress.

A sound banking system in this country will protect the soundly-managed business from disasters such as often occur, even at times when it possesses adequate assets. Such disasters, resulting from total inability to

convert resources into the needed money, are of common experience.

The funds for the conduct of this campaign in Minnesota are being subscribed by Minnesota business men. Every man in this state who is interested in these objects is invited to become a member of the League, to study its purposes and its work, and to keep in touch with and aid this movement. Membership in the League is open to every citizen of this state, upon payment of a fee of \$1.00. The proceeds of this fee will be devoted exclusively towards defraying the expenses of the campaign. All remittances should be made to Charles J. Sargent Treasurer, Red Wing, Minn.

The League hopes very soon to arrange for public meetings in all parts of the state, at which to encourage discussion of this subject and reduce the opinion of business men and others to such form as to permit its effective presentation to Congress. Congress will undoubtedly act, but not until the sentiment of the country is clearly expressed and business men and others have made their views and position known. It is for the purpose of aiding such expression that the League was organized.

To the editor, interested in the prosperity of business in his city and district, hopeful that "hard times" and money stringency may be avoided and all business will have opportunity to grow and develop in a healthy manner, this subject should be of especial interest. The editor, through his news and editorial columns, is able to exercise a powerful influence in directing the attention of business men to the necessity of a better banking system and a reform in legislation. May I not bespeak the support and assistance of the press of Minnesota, and the hearty coöperation of our editors and publishers in the work of the League?

The officers of the League will appreciate the assistance of the press in making the objects of the League known, and in encouraging business men and others to take a personal interest, by becoming members. It seeks editorial coöperation in its plans and purposes, but does not contemplate a campaign of publicity, beyond the coöperation thus willingly granted.

It is for the purpose of fully informing the press of the purposes of the League that this circular is issued. As soon as such work can be proceeded with, editors and



others will be supplied with literature more fully explaining the questions involved, and information about the progress of the movement in other parts of the United States.

Your attention is invited to the list of officers of the national organization, men of prominence in the Middle West, given herewith.

Yours very truly,

JOHN H. RICH,  
President.

CURTIS L. MOSHER, Secretary,  
Red Wing, Minn., November 29, 1911.

*Clip this Slip and mail with remittance to Charles J. Sargent, Treasurer, Goodhue County National Bank, Red Wing, Minn.*

CHARLES J. SARGENT, .....191..  
TREASURER

GOODHUE COUNTY NATIONAL BANK, RED WING, MINN.

DEAR SIR:

Enclosed please find One Dollar (\$1.00) for my membership in The Citizens' League of Minnesota, 1911-1912.

(SIGNED) .....

ADDRESS .....

*Kindly fill in name and address in full.*

### The Objects of the League

The National Citizens' League for the Promotion of a Sound Banking System has no bill of its own; it is open to suggestions from any source. But it presents the following objects to be attained, which it hopes to have incorporated into law:

1. Coöperation, not dominant centralization, of all banks by an evolution out of our clearing-house experience.
2. Protection of the credit system of the country from the domination of any group of financial or political interests.
3. Independence of the individual banks, national or state, and uniform treatment in discounts and rates to all banks, large or small.
4. Provision for making liquid the sound commercial paper of all the banks, either in the form of credits or bank notes redeemable in gold or lawful money.
5. Elasticity of currency and credit in times of seasonal demands and stringencies, with full protection against over-expansion.
6. Legalization of acceptances of time bills of exchange in order to create a discount market at home and abroad.
7. The organization of better banking facilities with other countries, to aid in the extension of our foreign trade.

You may become a member of the League upon payment of one dollar. The proceeds of this membership fee will be devoted exclusively toward defraying the expenses of the campaign. Make your remittance to

THE TREASURER,  
National Citizens' League,  
223 W. Jackson Blvd.,  
Chicago, Ill.

A section of the League is formed, or will be formed, in each State. If you prefer, send your remittance to the Treasurer of your State Section.



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